



U.S. Agency for International Development (USAID)

**Bureau for Global Programs, Field Support and Research
Center for Environment
Office of Energy, Environment and Technology, and
USAID/Mexico**

**In collaboration with:
Comisión Federal de Electricidad (CFE)
Comisión Reguladora de Energía (CRE)
Secretaría de Energía (SENER)**

Annex to the Manual on Legal Issues in Project Development in the Mexican Electric Sector

August 2001

**Prepared by:
Prime Contractor: Nexant Inc
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Annex A: Generation Types Permitted under the Law on Public Service of Electric Energy (*LEY DEL SERVICIO PÚBLICO DE ENERGÍA ELÉCTRICA*)

Self Supply

Self-supply is the use of electric energy for to fulfill the needs of legal entities.

When there are various bidders that intend to supply themselves from the same power plant they will have the legal character of either co-owners of the plant or will constitute a society whose objective is the generation of electric energy to satisfy the overall self-supply needs of the partners.

The permit holder cannot deliver electric energy to third parties who are not co-owners or partners of the society.

The permit holder is obligated to leave its excess electric energy production at the disposition of CFE.

Cogeneration

Cogeneration is understood to mean the production of electric energy with steam or other type of secondary thermal energy, or both. This activity includes the thermal energy that is not utilized in the processes and that is utilized for the direct or indirect production of electric energy, or when fuel produced during the plant's processes is used for the direct or indirect generation of electric energy.

The electricity coming from the cogeneration process must be used to satisfy the needs of the establishments associated to the cogeneration plant. Furthermore, the efficiency of the overall process must be increased and must be greater than that obtained in competing conventional generation plants.

The permit holder does not have to be the operator of the cogeneration processes.

The permit holder is obligated to leave its excess electric energy production at the disposition of CFE.

Independent Production

Independent production is electric energy destined for sale to CFE. The Commission is obligated to purchase this energy according to the economic terms and conditions that were agreed upon.

Permit holders must be legal entities created in conformity with Mexican laws and with residence in Mexican national territory; and they must comply with the requirements established in the applicable legislation.

The above requirement is not applicable to legal entities formed in conformity with the legislation of the United States or Canada by reason of the North American Free Trade

Agreement (NAFTA). The Agreement establishes that any company of the signing Parties can acquire, establish or operate an independent production generation plant in Mexico.

The projects that are the motivation for the bid must be included in the respective planning programs of CFE or be equivalent to those programs.

The permit holders are obligated to sell the electric energy generated exclusively to CFE, as represented in long-term contracts.

Small Production

Small production is the generation of electric energy destined for sale to CFE in which the total capacity of the project, in an area determined by the Secretariat of Energy, cannot exceed 30 MW.

Alternatively to what is indicated in the previous paragraph, the electric energy can be destined for small rural communities or isolated areas that lack energy and that use it for their own consumption, as long as the consumers are either consumption cooperatives, co-owners, or civil societies or associations, or if they sign a mutually binding cooperation contract for the purpose of self consumption, and, in any of the above cases, if production does not exceed 1 MW.

Permit holders must be legal entities created in conformity with Mexican laws and with residence in Mexican national territory; and they must comply with the requirements established in the applicable legislation.

The above requirement is not applicable to legal entities formed in conformity with the legislation of the United State or Canada by reason of the North American Free Trade Agreement (NAFTA). This prerogative may be applied to other countries that have signed commercial agreements with Mexico.

Importation/Exportation

The Law establishes the ability to import or export electric energy, which includes the transport, transformation and delivery of electricity according to the peculiarities of each case, and the temporary use of the National Electric System, if agreed upon in a previous contract between the permit holder and CFE.

ANNEX B: General and Particular Requirements to Obtain an Electric Energy Generation, Export or Import Permit

1. REQUIREMENTS TO OBTAIN A PERMIT

This section presents the requirements that the Law and the Regulations establish, the way in which the applicant may meet each of them and CRE's evaluation of the information and documentation presented by the applicant.

5.1 General requirements

The party that is interested in obtaining an electric energy generation, export or import permit must present the following documentation:

- a) A duly filled in form, with the following information:
 - Name, denomination or corporate name and domicile of the applicant;
 - Purpose of the permit and when applicable, term proposed by the applicant;
 - Location of the plant, capacity of the facility, places where the energy shall be used, and the persons who shall use same;
 - Fuel supply schedule, including data about the source, type, substitutes and costs;
 - Information pertaining to the use of national waters, when applicable;
 - Availability and firmness of capacity surpluses, and
 - Requirements for backup capacity and energy and the transmission services.
- b) Documentation certifying the legal existence of the applicant. In case of artificial persons, this requirement is met by presenting a certified copy or testimony of the organizational record that certifies the legal capacity and existence of the applicant.
- c) Documentation certifying the legal capacity of the legal representative, such as certified copy or testimony of the notarized power of attorney for administration actions, in which powers to apply for the permit are granted.
- d) A simple cop of the record or document certifying the ownership, possession or authorization for the use of the surface area that the facilities shall occupy.
- e) A technical-descriptive report, which is a document with the general description of the project, that includes each of the following elements, with the necessary specification for CRE to verify the technical feasibility of the project:
 - The characteristics of the plant and of the accessory facilities;
 - The distribution of the loads;
 - The interconnection point and the load points;
 - The plant factor;
 - The typical monthly demand and
 - The estimated data of the annual generation and the consumption of fuels.

- f) Information relative to the use of waters. The applicant may present documents such as:
 - A simple copy of the respective concession title
 - A simple copy of the document certifying the initiation of the application with the competent authorities.
- g) Information regarding compliance with the ecological standards. The applicant may present documents such as:
 - A simple copy of the authorizations pertaining to the area of ecology, for the construction of the power plant.
 - A simple copy of the document certifying the beginning of the process to obtain the ecological authorization from the federal authorities.
- h) Information regarding the use of the soil. The applicant may present documents such as:
 - A simple copy of the authorizations for the use of the soil for the construction of the power plant.
 - A simple copy of the document certifying the initiation of the application for the use of soil with local authorities.

5.2 Particular requirements

Depending on the type of permit requested, the interested parties must meet the particular requirements established in the Law and in the Regulations, which are mentioned in the following points:

A. Self-supply

The parties who are interested in obtaining a self-supply permit must present, together with their applications, the following additional documents:

- a) When applicable, project expansion plans, including the name of the persons that may be incorporated as future partners or co-owners of the company.
- b) A letter from the applicant where it assumes the obligation to make available to the utility the production surplus that may be generated.
- c) When the parties interested in being supplied from a power plant are several, they must demonstrate the following, by way of original documentation or certified copy thereof (Art. 36 of the Law):
 - That they are co-owners of the power plant, or
 - That they formed a company, the purpose of which is "the generation of electric energy to satisfy the set of self-supply needs of its partners according to the terms of the Law of the Public Service of Electric Energy and its Regulations."

B. Cogeneration

The applicants for cogeneration permits must present the following additional documents:

- a) If the applicant was organized specifically to obtain the permit, the purpose of the company must be "the generation of electric energy under the mechanism of cogeneration according to the terms of the Law for the Public Service of Electric Energy and its Regulations";
- b) When applicable, a copy of the cogeneration agreement between the applicant and the process operator, certified by a public notary.
- c) A document that describes the cogeneration process in general terms, where the processes requiring joint use and the way in which each shall use the electric energy are specified.
- d) A document recording the calculation of the efficiency of the global process, including the process diagrams, the thermal balances and the information demonstrating that the cogeneration process improves the economic and energy efficiency of the processes.
- e) A document that describes, in general terms, the expected availability of surplus capacity and electric energy, per typical day, prepared monthly and annually.
- f) A letter from the applicant, assuming the obligation to make available to the utility the production surpluses that may be generated.
- g) The list of the establishments associated to the cogeneration and of the natural or artificial persons that are the developers of the process (Art. 104, fr. I of the Regulations). The list of establishments associated with the cogeneration must include only natural or artificial persons that meet the conditions established in the Law and in the Regulations.
- h) Distribution of loads and location of each of the associated establishments that shall consume the electric energy generated.

C. Independent Production

Those interested in obtaining an independent production permit must present the following additional documents, together with their request:

- 1. In the case of exporting energy, a certified copy of the agreement between the buyer abroad and the permit applicant.
- 2. In case the electric energy is for the utility, a simple copy of the document where the latter confirms that the projected facilities are included, or are equivalent to those included, in planning and scheduling.

D. Small production

The small production applications for plants of less than 30 MW to be sold to the utility or for exporting require no additional documentation or information.

The applicants that seek to dedicate the electric energy to small rural communities or isolated areas lacking service, must attach the following documents to their request:

1. A certified copy or testimony of the legal instrument recording the organization of the consumption cooperative, the co-ownership, the association or civil partnership, or the agreement of joint and several cooperation signed for the purpose of self-supply.
2. A certified copy, before a public notary, of the agreements signed with the persons to whom the electric energy shall be delivered, and the conditions under which same shall be delivered.

E. Exporting

Those interested in obtaining an export permit must meet the following additional requirements:

- a) A certified copy of the agreement or letter of intent between the buyer and the permit applicant (Art. 117 of the Regulations).

F. Importing

Those interested in obtaining an importing permit must meet the following additional requirements:

1. A diagram of the transmission lines that the applicant will build, indicating the means to operate them, or a diagram of the interconnection point with the National Electric System (Art. 123 of the Regulations).
2. A certified copy of the agreement or letter of intent between the applicant and the supplier of electric energy located abroad (Art. 120 of the Regulations).
3. A document indicating the conditions and terms under which the permit holder will request service of the utility, if the importing ceases.

G. Changes

Special forms are required for changing the names and/or transferring permits from one entity to another.

Application Forms [scanned forms inserted after this page]

**Legal HB-Annex B1.pdf
Legal HB-Annex B2.pdf
Legal HB-Annex B3.pdf
Legal HB-Annex B4.pdf
Legal HB-Annex B5.pdf
Legal HB-Annex B6.pdf
Legal HB-Annex B7.pdf
Legal HB-Annex B8.pdf**

These files were downloaded from the CRE website at:

<http://www.cre.gob.mx/marco/elec.html>



Secretaría de Energía, Minas e Industria Paraestatal

Subsecretaría de Regulación

**SOLICITUD DE PERMISO DE GENERACION DE ENERGIA ELECTRICA
PARA AUTOABASTECIMIENTO**

1. NOMBRE, DENOMINACION O RAZON SOCIAL DEL SOLICITANTE.

R.F.C.

EN CASO DE PERSONAS MORALES SE DEBEN INCLUIR LOS DATOS DE INSCRIPCION
EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO

Partida	Foja	Volumen	Libro	Sección	Fecha	o Folio real
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A horizontal number line with 10 equal segments, marked with 11 tick marks. The segments are labeled 1 through 10 from left to right.

1.1 NOMBRE DEL REPRESENTANTE LEGAL, EN SU CASO.

1.2 DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO DEL DOCUMENTO EN QUE SE CONFIERE LA REPRESENTACION, EN SU CASO.

Partida	Foja	Volumen	Libro	Sección	Fecha	o Folio real
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[illegible]

1.3 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle

Núm. Exterior

Núm. Interior

_____ || _____ ||

Colonia

· Población

C. P.

[illegible]

Município

Estado

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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2. PLAZO PROPUESTO POR EL SOLICITANTE PARA LA VIGENCIA DEL PERMISO SOLICITADO

(SE PUEDE ANEXAR LISTA ADICIONAL)

3. UBICACION QUE TENDRA LA PLANTA GENERADORA:

Calle	Núm. Exterior	
Colonia	Población	C. P.
Municipio	Estado	

3.1 CAPACIDAD DE GENERACION A INSTALAR:

	MW
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4. EXCEDENTES DE ENERGIA QUE SE PONDRAN A DISPOSICION DE LA COMISION FEDERAL DE ELECTRICIDAD, EN SU CASO.

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5. REQUERIMIENTOS DE CAPACIDAD Y ENERGIA DE CARACTER COMPLEMENTARIO, COMO RESPALDO FIRME O SUJETO A DISPONIBILIDAD, EN SU CASO.

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6. REQUERIMIENTOS DE SERVICIOS DE TRANSMISION, DE LA C.F.E. SENELE LOS PUNTOS DE CONEXION, EN SU CASO.

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7. DOCUMENTOS ANEXOS:

- a) Acta constitutiva de la sociedad o de la copropiedad, en su caso.
- b) Testimonio del poder notarial del representante legal, en su caso.
- c) Descripción en términos generales del proyecto, que debe incluir: características de la planta y de las instalaciones accesorias.
Programa de abastecimiento de energéticos, incluyendo datos sobre su fuente, tipo, sustitutos y costos.
Información respecto del uso de aguas nacionales, en su caso.
Cumplimiento de normas de materia ecológica.
Información sobre uso del suelo.
Programa de construcción.
Sistema de seguridad de instalaciones y consideraciones de protección civil.
Diagrama del proceso y balance térmico en caso de plantas termoeléctricas.
- d) Datos estimados de generación anual.
- e) Croquis del perímetro a abastecer.
- f) Croquis de las líneas de transmisión que se requieren, en su caso.
- g) Documentación que acredite la propiedad, posesión o autorización para el aprovechamiento de la superficie que ocuparán las instalaciones o, en su defecto, informe de los actos jurídicos previstos para tal efecto.
- h) Planes de expansión e inclusión de nuevos socios, en su caso.

Fecha:

Día	Mes	Año

Firma del solicitante: _____



SOLICITUD DE PERMISO DE COGENERACION DE ENERGIA ELECTRICA

1: NOMBRE, DENOMINACION O RAZON SOCIAL DEL SOLICITANTE:

R.F.C.

EN CASO DE PERSONAS MORALES SE DEBEN INCLUIR LOS DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO.

Partida Foja Volumen Libro Sección Fecha o Folio real

1.1 NOMBRE DEL REPRESENTANTE LEGAL, EN SU CASO:

1.2 DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO DEL DOCUMENTO EN QUE SE CONFIERE LA REPRESENTACION, EN SU CASO.

Partida Foja Volumen Libro Sección Fecha o Folio real

1.3 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle

Núm. Exterior

Núm. Interior

Colonia

Población

C. P.

Municipio

Estado

2. RELACION DE ESTABLECIMIENTOS ASOCIADOS A LA COGENERACION Y DE LAS PERSONAS FISICAS O MORALES QUE DAN LUGAR AL PROCESO.

Nombre

Domicilio

3. NOMBRE DEL OPERADOR DEL PROCESO DE LA COGENERACION, EN SU CASO.

R.F.C.

4. UBICACION QUE TENDRA LA PLANTA DE GENERACION.

Calle

Núm. Exterior

Colonia

Población

C. P.

Municipio

Estado

4.1 CAPACIDAD DE GENERACION A INSTALAR :

MW.

4.2 ENERGIA QUE CONSUMIRA ANUALMENTE CADA UNO DE LOS ESTABLECIMIENTOS ASOCIADOS:

Nombre del establecimiento

Energético

MWH/ año

MWH/ año

MWH/ año

4.3 EXCEDENTES DE POTENCIA Y ENERGIA ELECTRICA, POR DIA TIPICO, QUE SE PONDRAN A DISPOSICION DE LA C.F.E., EN SU CASO.

Mensual

Anual

4.4 REQUERIMIENTOS DE POTENCIA Y ENERGIA DE CARACTER COMPLEMENTARIO, COMO RESPALDO FIRME O SUJETO A DISPONIBILIDAD, EN SU CASO.

4.5 REQUERIMIENTOS DE SERVICIOS DE TRANSMISION DE LA C.F.E., SEÑALANDO LOS PUNTOS DE CONEXION, EN SU CASO.

5. DOCUMENTOS ANEXOS:

- a) Acta constitutiva de la sociedad o de los copropietarios de las instalaciones, en su caso.
- b) Testimonio del poder notarial del representante legal, en su caso.
- c) Descripción en términos generales del proyecto, que debe incluir:
 - Características de la planta.
 - Características de las instalaciones accesorias.
 - Datos estimados de generación anual.
 - Programa de abastecimiento de energéticos, incluyendo datos sobre su fuente, tipo, sustitutos y costos.
 - Información respecto del uso de aguas nacionales.
 - Cumplimiento de normas en materia ecológica.
 - Información sobre uso del suelo.
 - Programa de construcción.
 - Sistema de seguridad de instalaciones y consideraciones de protección civil.
 - Diagrama del proceso y balance térmico en caso de plantas termoeléctricas.
- d) Croquis de las líneas de transmisión que se requieren, en su caso.
- e) Descripción general del proceso.
- f) Diagramas del proceso.
- g) Disponibilidad de excedentes de potencia y energía eléctrica esperada por día típico en forma mensual y anual.
- h) Documentación que acredite la propiedad, posesión o autorización para el aprovechamiento de la superficie que ocuparán las instalaciones o, en su defecto, informe de los actos jurídicos previstos para tal fin.
- i) Copia certificada del instrumento en que conste la sociedad constituida para realizar el proyecto (en el caso previsto por el artículo 106 del Reglamento).

Fecha

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Día Mes Año

Firma del solicitante _____

Firma del operador del proceso, en su caso. _____



Secretaría de Energía, Minas e Industria Paraestatal

Subsecretaría de Regulación

SOLICITUD DE PERMISO DE PRODUCCION INDEPENDIENTE DE ENERGIA ELECTRICA

1. NOMBRE, DENOMINACION O RAZON SOCIAL DEL SOLICITANTE:

R.F.C.

1.1 DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO (PERSONAS MORALES):

Partida	Foja	Volumen	Libro	Sección	Fecha	o Folio real
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1.2 NOMBRE DEL REPRESENTANTE LEGAL, EN SU CASO.

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1.3 DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO DEL DOCUMENTO EN QUE SE CONFIERE LA REPRESENTACION, EN SU CASO.

Partida	Foja	Volumen	Libro	Sección	Fecha	o Folio real
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1.4 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle

Núm. Exterior

Núm. Interior

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Colonia

Población

C. P.

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Municipio

Estado

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2. PLAZO PROPUESTO POR EL SOLICITANTE PARA LA VIGENCIA DEL PERMISO SOLICITADO:

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3. UBICACION QUE TENDRA LA PLANTA GENERADORA:

Calle

Núm. Exterior

Colonia

Población

C. P.

Municipio

Estado

3.1 CAPACIDAD DE GENERACION A INSTALAR:

MW

3.2 DESTINO DE LA ENERGIA:

Venta a C.F.E.I.

Exportación

4. REQUERIMIENTOS DE CAPACIDAD Y ENERGIA DE CARACTER COMPLEMENTARIO, COMO RESPALDO FIRME O SUJETO A DISPONIBILIDAD, EN SU CASO.

4.1 REQUERIMIENTOS DE SERVICIOS DE TRANSMISION

5. DOCUMENTOS ANEXOS:

- a) Acta constitutiva de la sociedad o de los copropietarios de las instalaciones, en su caso.
- b) Testimonio del poder notarial del representante legal, en su caso.
- c) Descripción en términos generales del proyecto, que debe incluir:
 - Características de la planta.
 - Características de las instalaciones accesorias.
 - Datos estimados de generación anual.
 - Programa de abastecimiento de energéticos, incluyendo datos sobre su fuente, tipo, sustitutos y costos.
 - Información respecto del uso de aguas nacionales, en su caso.
 - Cumplimiento de normas en materia ecológica.
 - Información sobre uso del suelo.
 - Programa de construcción.
 - Sistemas de seguridad de instalaciones o consideraciones de protección civil.
 - Diagrama del proceso y balance térmico en caso de plantas termoeléctricas.
- d) Croquis de las líneas de transmisión que se requieren, en su caso.

- e) Documentación que acredite la propiedad, posesión o autorización para el aprovechamiento de la superficie que ocuparán las instalaciones o, en su defecto, informe de los actos jurídicos previstos para tal efecto.
- f) Carta de intención en el caso de exportación.
- g) Copia de la resolución en que se adjudica la convocatoria por parte de C.F.E. al productor, en su caso.

Fecha

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Día

Mes

Año

Firma del solicitante: _____

Esta forma se presenta por triplicado.

DGRS-003



Secretaría de Energía, Minas e Industria Paraestatal

Subsecretaría de Regulación

SOLICITUD DE PERMISO DE PEQUEÑA PRODUCCION DE ENERGIA ELECTRICA

1. NOMBRE, DENOMINACION O RAZON SOCIAL DEL SOLICITANTE:

R.F.C.

1.1 EN CASO DE PERSONAS MORALES SE DEBEN INCLUIR LOS DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO

Partida Foja Volumen Libro Sección Fecha o Folio real

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1.2 NOMBRE DEL REPRESENTANTE LEGAL, EN SU CASO.

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1.3 DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO DEL DOCUMENTO EN QUE SE CONFIERE LA REPRESENTACION, EN SU CASO.

Partida Foja Volumen Libro Sección Fecha o Folio real

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1.4 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle

Núm. Exterior

Núm. Interior

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Colonia

Población

C. P.

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Municipio

Estado

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2. DESTINO DE ENERGIA ELECTRICA A GENERAR:

Venta a C.F.E.

Exportación

Abastecimiento de comunidades rurales

3. UBICACION QUE TENDRA LA PLANTA GENERADORA:

Calle	Núm. Exterior	
Colonia	Población	C. P.
Municipio	Estado	

3.1 CAPACIDAD DE GENERACION A INSTALAR: _____ MW

3.2 PERSONAS A LAS QUE SE ENTREGARA LA ENERGIA ELECTRICA Y CONDICIONES EN QUE SE EFECTUARA LA MISMA A LOS CONSUMIDORES FINALES, EN SU CASO.

4. REQUERIMIENTO DE CAPACIDAD Y ENERGIA DE CARACTER COMPLEMENTARIO, COMO RESPALDO FIRME O SUJETO A DISPONIBILIDAD, EN SU CASO.

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4.1 REQUERIMIENTOS DE SERVICIOS DE TRANSMISION DE LA C. F. E., SEÑALANDO LOS PUNTOS DE CONEXION, EN SU CASO.

5. DOCUMENTOS ANEXOS:

- a) Acta constitutiva de la sociedad o de los copropietarios de las instalaciones, en su caso.
- b) Testimonio del poder notarial del representante legal, en su caso.
- c) Descripción en términos generales del proyecto, que debe incluir :
 - Características de la planta.
 - Características de las instalaciones accesorias.
 - Datos estimados de generación anual.
 - Programa de abastecimiento de energéticos, incluyendo datos sobre su fuente, tipo, sustitutos y costos.
 - Información respecto del uso de aguas nacionales.
 - Cumplimiento de normas en materia ecológica.
 - Información sobre uso del suelo.
 - Programas de construcción.
 - Sistema de seguridad de instalaciones o consideraciones de protección civil.
 - Diagrama del proceso y balance térmico en caso de plantas termoeléctricas.
- d) Croquis del área en la que operará el solicitante.
- e) Croquis de las líneas de transmisión, en su caso.
- f) Documentación que acredite la propiedad, posesión o autorización para el aprovechamiento de la superficie que ocuparán las instalaciones o, en su defecto, informe de los actos jurídicos previstos para tal efecto.
- g) Constancia de cumplimiento a lo dispuesto por el artículo 113 fracciones I y II del Reglamento (en caso de abasto a comunidades rurales).
- h) Convenio de compra de energía o carta de intención en caso de exportación.

Fecha:

Día	Mes	Año

Firma del solicitante: _____



SOLICITUD DE PERMISO PARA IMPORTAR ENERGIA ELECTRICA

R.F.C.

Partida	Foja	Volumen	Libro	Sección	Fecha	o/ Folio real
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Partida	Foja	Volumen	Libro	Sección	Fecha	o/ Folio real
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Calle

Núm. Exterior

Núm. Interior

Colonia

Población

C. P.

Municipio

Estado

1. *Journal of Management Studies*, 1997, 34, 1, 1-14.

2. NOMBRE, DENOMINACION O RAZON SOCIAL DE LA PERSONA FISICA O MORAL QUE GENERE LA ENERGIA.

2.1 DOMICILIO:

Calle	Núm. Exterior

Población	Estado

C.P. o Equivalente	País

2.2 CANTIDAD DE ENERGIA A IMPORTAR: MWH/ año

2.3 DESTINO DE LA ENERGIA:

3. CONDICIONES Y PLAZOS EN LOS QUE EL PERMISIONARIO SOLICITARA A LA COMISION FEDERAL DE ELECTRICIDAD EL SUMINISTRO EN CASO DE DAR POR TERMINADA LA IMPORTACION.

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3.1 REQUERIMIENTOS DE POTENCIA Y ENERGIA DE CARACTER COMPLEMENTARIO, COMO RESPALDO FIRME O SUJETO A DISPONIBILIDAD, EN SU CASO.

--

3.2 REQUERIMIENTOS DE SERVICIOS DE TRANSMISION.

4. DOCUMENTOS ANEXOS:

- a) Acta constitutiva de la sociedad o de los copropietarios de las instalaciones, en su caso.
- b) Testimonio del poder notarial del representante legal, en su caso.
- c) Carta intención del proveedor extranjero.
- d) Croquis de las líneas de transmisión que se requieran, en su caso.

Fecha:

Día	Mes	Año

Firma del solicitante: _____

Esta forma se presenta por triplicado

DGRS-005



Secretaría de Energía, Minas e Industria Paraestatal

Subsecretaría de Regulación

SOLICITUD DE PERMISO PARA EXPORTAR ENERGIA ELECTRICA

1. NOMBRE, DENOMINACION O RAZON SOCIAL DEL SOLICITANTE.

R.F.C.

EN CASO DE PERSONAS MORALES SE DEBEN INCLUIR LOS DATOS DE INSCRIPCION
EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO

Partida

Foja

Volumen

Libro

Sección

Fecha

o Folio real

1.1 NOMBRE DEL REPRESENTANTE LEGAL INCLUYENDO DATOS DE INSCRIPCION
DEL DOCUMENTO EN QUE CONSTE LA REPRESENTACION, EN SU CASO.

Partida

Foja

Volumen

Libro

Sección

Fecha

o Folio real

1.2 DOMICILIO PARA RECIBIR NOTIFICACIONES

Calle

Núm. Exterior

Núm. Interior

Colonia

Población

C.P.

Municipio

Estado

2. EL SOLICITANTE, COMO SE ACREDITA CON EL ANEXO CORRESPONDIENTE,
ES TITULAR DE UN PERMISO DE:

Cogeneración

Producción independiente

Pequeña producción

No.

De fecha

Día

Mes

Año

3. CANTIDAD DE ENERGIA ELECTRICA QUE SE PRETENDE PRODUCIR ANUALMENTE
PARA EXPORTAR:

Potencia máxima

MW

3.1 NOMBRE O DENOMINACION SOCIAL DEL ADQUIRIENTE DE LA ENERGIA.

3.2 LUGAR ESPECIFICO EN QUE SE ENTREGARA.

4. DOCUMENTOS ANEXOS:

- a) Acta constitutiva de la sociedad o de los copropietarios de las instalaciones, en su caso.
- b) Testimonio del poder notarial del representante legal (en su caso).
- c) Programa de abastecimiento de energéticos, incluyendo datos sobre su fuente, tipo, sustitutos, costos.
- d) Copia del permiso mencionado en el punto 2.
- e) Copia del convenio de compra de energía o carta intención.
- f) Croquis de localización de líneas de transmisión, en su caso.

NOTA: EN CASO DE QUE EL SOLICITANTE HUBIERA INCLUIDO INFORMACIÓN EN VIRTUD DE OTRA SOLICITUD PREVIA, DICHA INFORMACION NO SE REQUERIRA NUEVAMENTE

EN CASO DE PRODUCCION INDEPENDIENTE O PEQUEÑA PRODUCCION, QUE SE HUBIEREN CONSTITUIDO EXCLUSIVAMENTE PARA EXPORTAR ENERGIA ELECTRICA, NO SE REQUERIRA PRESENTAR ESTE FORMATO.

BAJO PROTESTA DE DECIR VERDAD, MANIFIESTO QUE SE HA CONTINUADO CUMPLIENDO CON LAS CONDICIONES IMPUESTAS EN EL PERMISO ORIGINAL AL QUE SE REFIERE EL PUNTO 2.

Fecha

Día	Mes	Año

Firma _____



Subsecretaría de Regulación

SOLICITUD DE AUTORIZACION PARA LA TRANSFERENCIA DE LOS DERECHOS DERIVADOS DEL PERMISO PARA GENERACION DE ENERGIA ELECTRICA

1. NOMBRE DEL TITULAR DEL PERMISO

R.F.C.

EN CASO DE PERSONAS MORALES SE DEBEN INCLUIR LOS DATOS DE INSCRIPCION
EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO

Partida

Foja

Volumen

Libro

Sección

Fecha

o Folio real

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1.1 NOMBRE DEL REPRESENTANTE LEGAL INCLUYENDO DATOS DE INSCRIPCION DEL DOCUMENTO EN QUE CONSTE LA REPRESENTACION, EN SU CASO.

1.2 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle

Núm. Exterior

Núm. Interior

[illegible]

Colonia

Población

C. P.

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Municipio

Estado

2. PERSONA A QUIEN SE TRANSFIERE EL PERMISO:

2.1 Persona física: _____

2.2 Persona moral:

2.3 NOMBRE DEL REPRESENTANTE LEGAL INCLUYENDO DATOS DE INSCRIPCION DEL DOCUMENTO EN QUE CONSTE LA REPRESENTACION, EN SU CASO.

Partida

Foja

Volumen

Libro

Sección

Fecha

o Folio real

Age Group	Percentage
18-24	10%
25-34	20%
35-44	25%
45-54	20%
55-64	15%
65-74	10%
75-84	5%
85+	5%

2.4 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle	Núm. Exterior	Núm. Interior
Colonia	Población	C. P.
Municipio	Estado	

3. MOTIVO POR EL QUE S E SOLICITA LA TRANSFERENCIA DEL PERMISO.

4. DOCUMENTOS ANEXOS:

- a) Documento por el que se formaliza la cesión de derechos del permiso.
- b) Documento por el que se formaliza la cesión de derechos de las instalaciones.
- c) Documento que acredita la personalidad del cedente.
- d) Documento que acredita la personalidad del cesionario.
- e) Documentos que acrediten la identificación del permiso.

Fecha:

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Día Mes Año

Firma del titular del permiso _____

Firma de la persona a quien se transfiere el permiso _____



Secretaría de Energía, Minas e Industria Paraestatal

Subsecretaría de Regulación

SOLICITUD DE PERMISO PARA MODIFICAR LAS CONDICIONES ORIGINALES DE GENERACION O EL DESTINO DE LA ENERGIA ELECTRICA

1. NOMBRE, DENOMINACION O RAZON SOCIAL DEL SOLICITANTE:

R.E.C.

EN CASO DE PERSONAS MORALES SE DEBEN INCLUIR LOS DATOS DE INSCRIPCION EN EL REGISTRO PUBLICO DE LA PROPIEDAD Y DEL COMERCIO

Partida

Foja

Volumen

Libro

Sección

Fecha

o Folio real

1.1 NOMBRE DEL REPRESENTANTE LEGAL INCLUYENDO DATOS DE INSCRIPCION DEL DOCUMENTO EN QUE CONSTE LA REPRESENTACION, EN SU CASO.

1.2 DOMICILIO PARA RECIBIR NOTIFICACIONES:

Calle

Núm. Exterior

Núm. Interior

Colonia

Población

C. P.

Municipio

Estado

2. Número de permiso: _____

2.1 Fecha del permiso _____

2.2 Objeto del permiso _____

3. EXPLIQUE BREVEMENTE LAS MODIFICACIONES QUE SE PRETENDEN REALIZAR AL PROCESO DE GENERACION, EN SU CASO.

3.1 EXPLIQUE BREVEMENTE EL DESTINO QUE SE PRETENDE DAR EN LO SUCESIVO A LA ENERGIA ELECTRICA GENERADA, EN SU CASO.

4. DOCUMENTOS ANEXOS:

- a) R. F. C. del solicitante.
- b) Acta constitutiva de la sociedad (en caso de personas morales).
- c) Testimonio del poder notarial del representante legal, en su caso.
- d) Copia del permiso original.
- e) Descripción en términos generales de la modificación al permiso original.

Nota: EN CASO DE QUE SE CAMBIE LA MODALIDAD ORIGINAL, DEBERA PRESENTAR LA SOLICITUD CORRESPONDIENTE AL NUEVO PERMISO.

Fecha _____ Firma _____

Annex C: Obligations of Electricity Permit Holders

Article 90: The permit holders referred in this chapter are required to:

- Refrain from selling, re-selling or transfer any title, directly or indirectly, capacity or electric power, except in cases authorized by the Law and Regulations;
- Notify the Secretariat concerning the dates when the work were finished, within 15 days after there termination;
- Provide, in the best possible way and with sufficient compensation, the electric energy needed for public use, when the service is interrupted, or restrained due to an unforeseeable cause or force majeure; only during the time of interruption;
- Fulfill the legal provisions and regulations, as well as the official Mexican norms, and other applicable provisions related to the work and installations that are object of the permit(s);
- Operate and maintain the installations and the equipment in a manner that is safe to the operator and third parties;
- Inform the Secretariat – based the manner that the Secretariat mandates – the type and volume of fuel used and the quantity of electric energy generated, specifying the part utilized for the permit holder's own use and that which is delivered to the Commission, or is for exporting purpose, as well as, when applicable, the amount of electricity imported. This should be done once operation of the installations begins, and it is only for statistical purposes.

ANNEX D: CONDITIONS UNDER WHICH AN ELECTRIC ENERGY PERMIT TERMINATES

Article 99 of the Regulations: The permits referred to in these Regulations will terminate:

1. For the expiry of the permits themselves, if applicable;
2. By dissolution or, if applicable, due to the death or incapacitation of the permit holder;
3. By expiry of the concession or assignation for the use or benefit of national waters, if applicable;
4. By revocation dictated by the Secretariat, in the following cases:
 - a) When the permit holder has been repeatedly sanctioned for selling, re-selling, or transferring capacity or electric energy;
 - b) For transmitting rights derived from a permit or generating electricity in conditions different than those established by the permit without the Secretariat's authorization;
 - c) For any grave and repeated violation of any of the provisions of the Law, the conditions of the permit, the official Mexican norms, or the applicable technical and operative specifications. Noncompliance of obligations is considered recurring when the permit holder has incurred a gross violation for the second time and continues committing the violation for at least forty five days after being notified by the Secretariat of having committed it;
5. By expiration, when the work for the electric energy generation plant has not been initiated within a period of six months from the date the permit is issued to the permit holder, or if construction of the plant has been suspended for an equivalent amount of time, except in the case of unexpected circumstances or force majeure.
6. By resignation, which will be subject to the terms and deadlines established in the permit.

Process of responding to a potential revocation or expiry of permit

After holding a meeting with the permit holder, CRE will publicly declare the termination of a permit corresponding to the circumstances outlined in Parts I – III of Article 99 of the Regulations

In the cases corresponding to Parts IV and V of Article 99 of the Regulations, CRE notifies the permit holder of its intention to revoke the permit. Beginning on the day following the notification, the permit holder is given fifteen (15) business days to defend its right to retain the permit and offer any proof in its favor. It is strongly suggested at this point that the permit holder contact the relevant authorities at CRE and inquire as to what information and data CRE may require to render its decision in favor of the permit holder. If the permit holder does not respond in fifteen business days, CRE will revoke its permit.

Once it receives the permit holder's response, CRE will set a period to review and consider the defense offered by the permit holder. During this process the Federal Code on Civil Procedures (*Código Federal de Procedimientos Civiles*) will be applied.

Final decisions regarding revocation or expiry are published in the Official Daily of the Federation (*Diario Oficial de la Nación*).

Annex E: Calculation and Determination of Wheeling Agreements

The supplier should submit a draft of the respective agreement for the approval of CRE, independent of any intervention that other agencies might have in the matter in accordance with the relevant laws, containing at least the following:

Name, official title or trade name and address of the requestor and of the supplier, as well as the purpose of the agreement

Total cost and description of the project that will be transferred as property and delivered to the supplier for incorporation into the national grid;

Technical aspects to which the construction, operation and maintenance of the project should conform;

Timetable for the execution the project;

Supervision program for the project and proof of previous delivery of service, in case the requestor decides to execute the project;

Total amount of what will be contributed and the form, time and place of payment, indicating the quantity to be charged in cash or in kind, except when the requestor itself designs and constructs the work and installation required to be able to offer the service;

Date and place of delivery of the material and equipment;

Taxes and other obligations applicable to each of the Parties;

If applicable, the total amount of the reimbursement, and the form, time and place of payment in accordance with what is established in the Regulations;

If appropriate, the provisions, terms and conditions that regulate the determination of additional costs and they form of payment for those costs;

The general rules that determine how to deal with reimbursement, considering the characteristics of each case, when a user believes that the supplier has substantially benefited from the works of which the requestor is in charge. The requestor's right to exercise its right to demand this reimbursement is limited to a period of no more than five years after the date that the corresponding projects went into operation.

ANNEX F: Requisite Documentation for Obtaining Permits for Self-use of Natural Gas

Article 101.- Permit Application

A party interested in obtaining a transportation or storage for self use permit shall submit an application to the Commission that shall contain:

1. Name and address of the applicant;
2. If applicable, a certified copy of the incorporation charter with any amendments to it or documentation that establishes the applicant's legal existence;
3. Documents establishing the legal capacity and authority of the legal representative;
4. The purpose, description, route or location, and technical specifications of the project;
5. If applicable, the average daily consumption on an annual basis;
6. A general description of the safety systems and procedures for operation and maintenance of the system;
7. Capacity of the project; and,
8. If applicable, a copy of the notice referenced in article 98.

ANNEX G: Directive on the Determination of Geographic Zones

The *Comisión Reguladora de Energía* has identified a number of economic, legal and urban planning factors for determining geographic zones for natural gas distribution. These are consistent with the profitability and efficiency factors established by article 26 of the *Reglamento de Gas Natural* and they also conform to national and regional priorities.

This Directive establishes the factors and procedures that the Commission will apply in determining geographic zones for natural gas distribution. Further, the Directive considers the views of federal and local authorities involved in the process, which the Commission will consult with and notify in the process of determining geographic zones.

1. SCOPE AND OBJECTIVES

1.1 This Directive is aimed at setting the criteria and the guidelines that will be used by the Commission to determine geographic zones for natural gas distribution and to advise interested parties in developing natural gas distribution projects in the country.

1.2 In the development of these criteria and guidelines the experiences of other countries in establishing natural gas distribution service areas were analyzed, as well as other similar services. Also, the criteria and guidelines are the result of a comprehensive review of different types of population centers in the country, of the objectives and strategies of the National Urban Development Program (*Programa Nacional de Desarrollo Urbano*), of the National Urban System (*Sistema Urbano Nacional*) and of the specific urban development programs for various population centers.

1.3 The Commission has established this Directive to comply with the following objectives:

- a) To clarify the process for the determination of geographic zones;
- b) To establish the factor by which the Commission evaluates the zones proposed in statements of interest and requests referenced pursuant to article 39 and transition article eight of the *Reglamento de Gas Natural* ;
- c) To facilitate the Commission's evaluation and resolution of proposals to modify geographic zones pursuant to article 27 of the *Reglamento* ;
- d) To provide parties interested in developing natural gas distribution projects with guidance to define and propose a geographic zone in a statement of interest or other application and in any proposal to modify a previously determined geographic zone;
- e) To conclude – in the determination of geographic zones — information readily available to the public;
- f) To consider national environmental and regional priorities in the determination of geographic zones;
- g) To promote the efficient and profitable development of the natural gas distribution services, and
- h) To complement and foster the development and growth of natural gas transportation systems.

2. DEFINITIONS

2.1 Area of economic influence : Area corresponding to two or more population centers among which there exists a degree of interaction between their productive and service activities by means of communication, resulting in important exchange of capital, goods and services.

1.2 Population center : As defined by the General Law of Human Settlements (*Ley General de Asentamientos Humanos*) .

2.3 Commission : The *Comisión Reguladora de Energía*.

2.4 Conurbation : The physical and demographic area that forms or tends to form two or more population centers according to the *Ley General de Asentamientos Humanos*.

2.5 Distribution : The activity of receiving, transmitting, delivering and, if applicable, marketing of gas through pipelines in a geographic zone.

2.6 Gas or Natural Gas : A mixture of hydrocarbons composed primarily of methane.

2.7 Urban Area : Urban areas present when a zone is evaluated.

2.8 Consolidation Program of the Metropolitan Zones (*Programa de Consolidación de las Zonas Metropolitanas*) : As established by the *Programa Nacional de Desarrollo Urbano 1995-2000*.

2.9 Urban Development Program (*Programa Nacional de Desarrollo Urbano 1995-2000*) : The programs or current plans regarding planning of cities, by competent local authorities, that are approved and published in the gazettes, newspapers or official publications of the pertinent state, and are found for public reference in the relevant government offices where the population center is located.

2.10 Program of Hundred Cities (*Programa de 100 Ciudades*) : As established by the *Programa Nacional de Desarrollo Urbano*.

2.11 National Urban Development Program (*Programa Nacional de Desarrollo urbano 1995-2000*) : The *Programa Nacional de Desarrollo Urbano* in effect when a geographic zone is evaluated.

2.12 Natural Gas Regulation (*Reglamento de Gas Natural*) : The Natural Gas Regulation published in the *Diario Oficial* on 8 November 1995.

2.13 National Urban System : Those medium and small cities with at least one hundred thousand inhabitants, and with infrastructure characteristics, services and land and water availability that are favorable for the establishment of industrial activities and population growth,

and together with the principal metropolitan areas, constitute the basic structure of human settlements anticipated in the *Programa Nacional de Desarrollo Urbano* .

2.14 Geographic zone : The area determined by the Commission for natural gas distribution.

2. CRITERIA TO DEFINE A GEOGRAPHIC ZONE

3.1 Except as provided in paragraph 4.3, a geographic zone shall include one or more population centers with similar characteristics to those described in the *Programa de 100 Ciudades* and the Program of Consolidation of Metropolitan Zones (*Programa de Consolidación de Zonas Metropolitanas*) established in the National Urban Development Program.

2.2 If the conditions of the previous paragraph do not apply, the Commission shall confirm that prevailing socioeconomic conditions in the zone are sufficient to justify and permit the development of a distribution system.

3.3 Geographic zones shall have a scale or minimal market size that, in the Commission's judgment, will permit the efficient and profitable development and operation of a distribution system, in accordance with article 26 of the *Reglamento* .

3.4 The Commission may determine a geographic zone even when feasibility conditions for the distribution system do not exist, in terms of economic profitability and technical efficiency, provided that a competent authority has the intention of granting a subsidy as established in article 89 of the *Reglamento* .

3.5 The scale or minimal market size will be defined based on the following parameters:

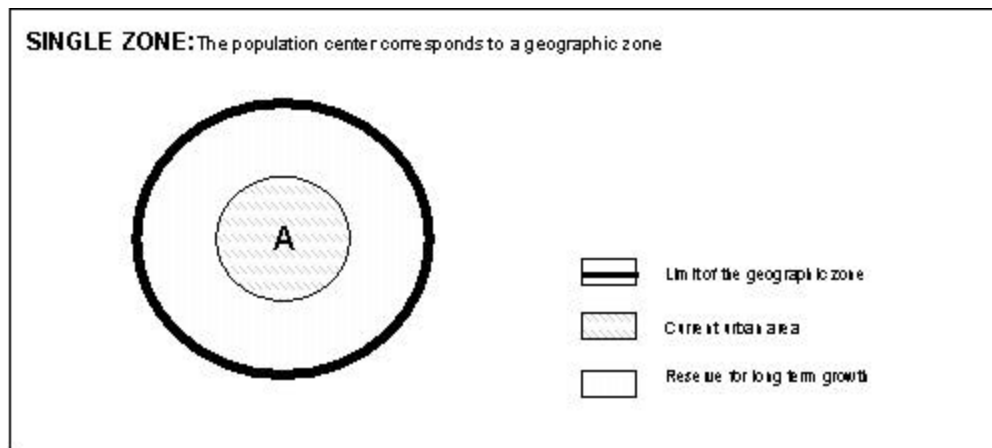
- a) Density of population;
- b) Degree of urbanization and coverage of public services;
- c) Level of fuel consumption;
- e) Concentration and value of the economic activity, and
- f) Industrial, commercial and services development.

3.6 Provided that it is feasible, a geographic zone must include different types of consumers: industrial, residential, commercial and other services.

3. TYPES OF GEOGRAPHIC ZONES

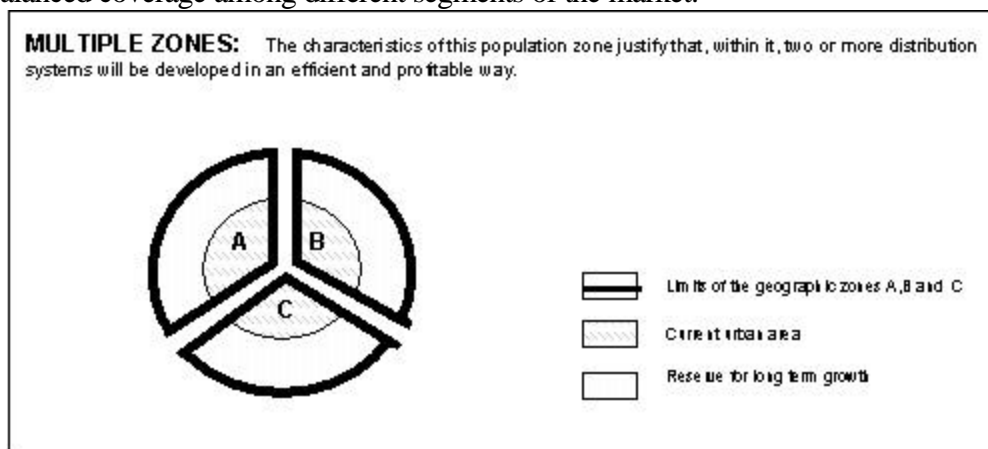
4.1 Geographic zones determined by the Commission may correspond to one of the types referred to in this chapter.

4.2 Single Zone: Corresponds to a population center in which the geographic scope and market size have the elements and sufficient scale to develop only one distribution system in a profitable and an efficient manner. Each zone of this type will have one distribution permit.

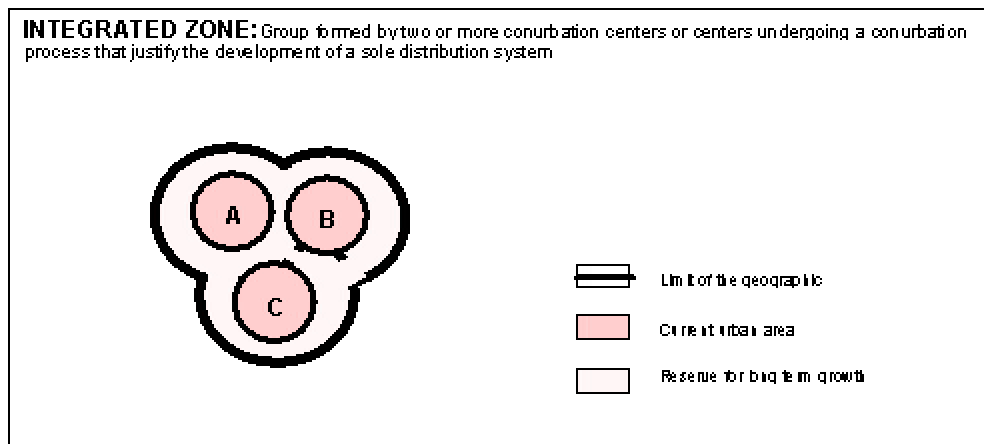


4.3 Multiple Zones: Corresponds to a population center or conurbation centers or centers undergoing a conurbation process in which two or more distribution systems can operate in a profitable and efficient manner, each of which can justify a geographic zone. Each such zone will have a distribution permit. The Commission will determine these types of zones considering:

- Geographic scope and size of the market;
- Resulting benefits in quality, efficiency and safety of the service;
- Greater and more rapid development of systems, and
- Balanced coverage among different segments of the market.

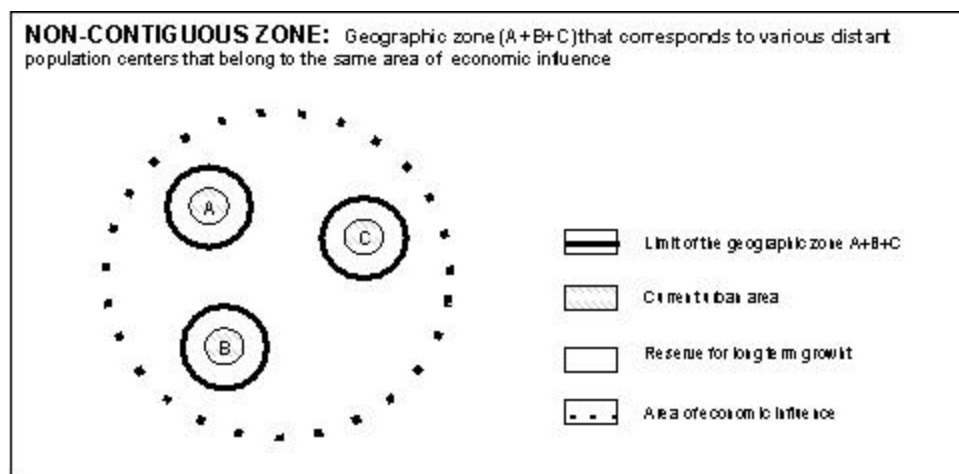


4.4 Integrated Zone: Corresponds to two or more conurbation centers or centers undergoing a conurbation process where the establishment of a sole distribution system is feasible in terms of profitability, efficiency and economies of scale. Each such zone will have one distribution permit.



4.5 Non-contiguous Zone: Corresponds to two or more non-conurbated population centers located within the same area of economic influence. These population centers will have only one distribution permit. The Commission will determine this type of zone considering:

- That the population centers have economic interaction;
- Delineation of the zone will not inhibit the development of transportation systems that may or could connect them, nor create cross-subsidies in the zone;
- Development of a distribution system in each population center is more profitable and efficient as an integral part of one project, and
- Provides benefits in the construction and coverage of the zone, in economies of scale, safety and operating and administrative efficiency of the distribution system as a whole.



5. REQUIREMENTS FOR GEOGRAPHIC ZONE PROPOSALS

5.1 Pursuant to article 39 of the *Reglamento*, a party interested in developing a gas distribution project shall present a statement of interest to the Commission, which shall contain the proposed geographic zone for the project.

5.2 To facilitate geographic zone proposals, their evaluation and, if applicable, determination, parties interested in developing a gas distribution system shall include in the geographic zone proposal the following:

- a) The type of geographic zone proposed in accordance with chapter 4 of this Directive;
- b) A graphic and written description of the territory comprising the geographic zone;
- c) Identification of the population center(s) included, total or partially and the economic justification for that selection;
- d) A map with a description in general terms of the development of the proposed gas distribution system in the proposed zone and the proposed interconnection with transportation systems (specify transporter(s), transportation pipeline that will supply gas to the zone and its available capacity);
- e) Demographic and socioeconomic characteristics of the proposed zone and of each population center covered;
- f) Demand factors that justify and make the distribution project feasible in the geographic zone, and

6. DETERMINATION OF GEOGRAPHIC ZONES

6.1 The Commission will initiate the evaluation process of a population center and, if applicable, will determine a corresponding geographic zone in response to a statement of interest submitted to the Commission by the social or private sector or by any federal or local authority pursuant to article 38 of the *Reglamento*.

6.2 The Commission will review and consider urban development programs of the population centers involved and, if necessary, will visit the zone being evaluated.

6.3 Pursuant to article 26 of the *Reglamento*, the Commission will communicate to the federal and local authorities the proposal for establishing a geographic zone for gas distribution in a specific population center or territory.

6.4 The Commission will take into account the views of federal and local authorities in the determination of the zone(s) in their territories. Also, their support will be requested in terms of specific information on the population center.

6.5 If necessary, the Commission will consult with those requesting fuel to evaluate their interest in gas supply and the potential consumption in the zone.

6.6 The Commission will request from the transporter or, if applicable, from the provider of gas in the zone, information related to pipes, facilities, capacity to provide gas or other information that may be relevant to the development of the distribution system.

6.7 The Commission will define the limits of the geographic zone considering those established by the urban development programs for the population centers and their expansion area so that the distributor in the geographic zone may grow without modifying the permit during the exclusivity period.

6.8 When the information mentioned in the previous paragraph does not exist for a specified zone, the Commission will determine the limits of such zone based on the urban area at the time of its determination and establish an expansion area considered reasonable and in conformity with the specific characteristics of the case.

6.9 The Commission will take into account the specific environmental and energy policy priorities in each population center that may be partially or totally a part of a geographic zone.

6.10 Once the Commission concludes the evaluation of the zone and determines that sufficient factors exist to establish a geographic zone, the Commission will publish in the *Diario Oficial* a resolution determining such geographic zone. The resolution shall include the specific limits of the geographic zone with a corresponding reference map, and will be registered in the public registry of the Commission.

6.11 The Commission will schedule the corresponding bidding for the specific geographic zone pursuant to its administrative capacities, considering other scheduled duties, the development priorities at national and regional levels, and other related or alternative projects.

6.12 If the Commission considers that the proposed zone does not present sufficient and appropriate conditions for the development of a gas distribution project pursuant to article 38 of the *Reglamento*, the Commission shall notify the party who has expressed interest.

7. GEOGRAPHIC ZONE MODIFICATION

7.1 The Commission may modify a geographic zone at the request of the permittee, federal or local authorities, or by its own initiative.

7.2 The permittee interested in modifying the geographic zone included in its distribution permit shall submit to the Commission a proposal to modify the geographic zone pursuant to chapter 5 of this Directive, and it shall include the following:

- a) The economic justification for modification of the geographic zone;
- b) The objective, description and technical specifications of the additional project;
- c) A demonstration of compliance with its obligations in terms of development of the distribution system, investment programs, and service coverage;
- d) Statements that the proposed modification of the distribution system will not adversely affect the technical feasibility of the initial project of the quality of service;
- e) Specific description of the proposed distribution system to be developed in the modified geographic zone, including:
 - i) General and detailed blueprints of the current and the additional system;
 - ii) Interconnection points of the systems;
 - iv) Technical specifications of the system and ancillary facilities; and,
 - ii) Safety methodologies and procedures for operation and maintenance, including the current operation and maintenance program applicable to the system and the record of leaks and accidents.

- g) Documents pertaining to the financial capability of the applicant for the development and operation of the extended system;
- h) Investment program, as well as the stages and the time periods to execute it;
- i) Proposed rates for the provision of service;
- j) Copy of the notice referenced in article 18 of the *Reglamento*;
- k) Date of commencement of service, specifying, if applicable, each stage of the project, and
- l) Description of the policies to be implemented to extend the service to users located within the proposed area as modified.

7.3 The Commission will review the request within one month. If the request does not comply with the requirements established in the previous paragraph, the Commission shall notify the applicant, who shall have one month to comply with the requirements or to submit any requested additional information; if the information is not provided the request shall be dismissed.

7.4 If the application complies with the requirements established in this chapter, the Commission shall proceed to evaluate it pursuant to this Directive and will publish a summary of the proposed project in the *Diario Oficial* within ten days. The Commission will notify the federal and local authorities and will establish a two month period to receive objections or comments and statements of interest with respect to the development of the distribution system in the modified area.

7.5 The publication referred to in the previous paragraph will not interrupt the evaluation of the application. The Commission shall have three months to perform such evaluation from the date on which the applicant is notified that the application has been accepted for review.

7.6 In evaluating the proposed modification, the Commission may investigate, request information, consult with federal, state and municipal authorities, hold hearing and, in general, take any action that it considers necessary to resolve the proposed modification of the zone.

7.7 As a result of the evaluation referred to in the previous paragraph, the Commission will be able to ask the participants to modify the project, within a frame period no longer than three months.

7.8 The Commission may approve the request of a permittee for modification of a geographic zone if:

- a) The application complies with all requirements established in this Directive;
- b) The Commission considers that the modification of the geographic zone contains sufficient factors to justify the development of the system in the proposed area pursuant to article 26 of the *Reglamento*;
- c) The expectations for growth in the geographic zone or the direction of such growth would exceed the original limits that the Commission determined for such geographic zone;
- d) The proposed modification of the geographic zone, under the Commission's criteria and based on this Directive, does not cover an area that could itself be considered a geographic zone in a reasonable time period; and,

- e) The modification of the geographic zone does not hinder the development of a transportation system.

7.9 If the Commission approves the modification of the geographic zone, it shall be published in the *Diario Oficial de la Federación* .

7.10 If any federal or local authority requests modification of a geographic zone, and the Commission considers such modification feasible, and the exclusivity period is in effect, the consent of the permittee will be required pursuant to article 27 of the *Reglamento* , and thereafter, the Commission shall proceed to request the permittee's modification of the geographic zone pursuant to this Directive.

8. TRANSITION PROVISIONS

8.1 This directive shall be effective on the date following its publication in the *Diario Oficial*

8.2 Upon determining the geographic zone(s) in one or more population centers where activities of gas distribution or transmission through pipelines were occurring before the publication of the *Reglamento* , the Commission shall evaluate geographic zone proposals presented by parties interested in obtaining a permanent permit pursuant to transition articles eight and nine of the *Reglamento* , shall consider the special characteristics in each case, and apply the criteria established in this Directive.

8.3 This Directive may be challenged through the reconsideration provided in article 11 of the Law of the *Comisión Reguladora de Energía (Ley de la Comisión Reguladora de Energía)*.

ANNEX H: Obligations of Natural Gas Permit Holders

Article 70 – With respect to safety, permit holders shall have the following obligations:

1. To immediately notify the Commission and relevant authorities of any event resulting from the permitted activities that may endanger public health and safety; such notice shall include the possible causes of the event, as well as the measures taken and planned to be taken to address it;
2. To submit to the Commission within ten days after a hazardous event has been brought under control, a detailed report on the reasons for such event and the measures taken to control it;
3. To submit annually a program, consistent with applicable Official Mexican Standards (NOM), for maintenance of the system and to certify compliance with such program by an accredited verification unit;
4. To maintain a log for the supervision, operation, and maintenance of works and facilities that shall be available at the Commission's request;
5. To train their personnel for the prevention of and response to accidents;
6. To provide the assistance requested by relevant authorities in case of emergency or disaster; and,
7. Any others established by Official Mexican Norms.

With respect to the provision of natural gas services, permit holders shall have the following obligations:

- a) With regard to transportation services, they will have the principal social objective of providing transportation services.
- b) With regard to distributors, they will have the principal social objective of proving distribution services.

With regard to minimum capital requirements, they will have at least the equivalent of ten percent of the proposed project investment, without the right to withdraw this capital.

Annex I: Evaluation Criteria for Solicitations for Natural Gas Permits

The Commission shall verify if the petitioner has submitted the necessary documentation to fulfill the requirements established in the Natural Gas Regulations, in agreement with the list of requirements included in Annex 1 of this guide, in the understanding that the omission or inadequacy of any document or information shall give rise to the requirement of additional information or the rejection of the application.

In regard to the applications which are accepted to begin the process, the Commission shall evaluate if the submitted documentation meets the particular requirements described in this chapter. If the documentation fails to meet those requirements, the CRE shall request from the interested party the necessary modifications and if said party does not present the required modifications, the Commission shall definitely reject the application.

A. Legal documentation

Due to the nature of the legal documentation, generally it is not susceptible to be evaluated and therefore the Commission shall only verify if the petitioner has included all the required documentation, if said documentation is correct and if it is congruent with what is established in this chapter.

If any legal type documentation is missing as a result of being in process, the review and evaluation may be continued, provided that:

It shall be verified, by way of the corresponding documentation, that the petitioner has formally already begun the process relative to the document or documents in question, and the petitioner shall unconditionally accept that the Commission shall not issue any resolution about the granting of the permit title until the time when the interested party fully integrates the required information.

B. Capacity of the petitioner

The Commission shall verify that the petitioner has included the required documentation and shall evaluate if said documentation certifies the requirements of financial, administrative and technical capacity described above. The information relative to the capacity of the petitioner shall meet or exceed all the requirements established in section B of this chapter.

In regard to the financial capacity, the Commission:

1. Shall evaluate the seriousness of the investors or financial institutions in supporting the project, and
2. Shall verify the contributions of equity made by the shareholders and of debt by the financial institutions.

When the interested party has presented the legal documentation and/or documentation related to the financial capacity of the petitioner for other processes before the CRE, the petitioner may

request from the Executive Secretary of the CRE the issue of an official letter showing that said information is actually in possession of the Commission. Said official letter shall be presented by the interested party to fulfill the totality or part of the requirements described in sections A and/or B of this chapter.

C. Technical documentation

The Commission shall verify that the petitioner has included the required documentation and that said documentation meets or exceeds all the established specifications.

The Commission shall perform the evaluation of the technical documentation of the project, taking into consideration:

1. The reliability of the transportation system and of the sources of supply;
2. The effects of the interconnection with the distribution systems, with other transportation systems or when applicable, with the end users;
3. The safety methods and procedures for the operation and maintenance of the system.
4. The proposal of general conditions for the rendering of the service;
5. The technical specifications of the project, and
6. The justification of the potential demand.

D. Economic documentation

The congruency between the proposed investment and the business plan shall be analyzed in the economic evaluation of the project, taking into consideration the technical and administrative aspects. The Commission may compare the parameters of the project against the standards of the industry and shall consider the economic feasibility of the project and furthermore, the Commission:

1. Shall review that the proposed list of tariffs correspond to the types of service that the petitioner intends to provide;
2. Shall verify that the methodology used in the calculation of the Maximum Income comply with the requirements of the Prices and Tariffs Directive.
3. Shall verify the feasibility of the project by taking into consideration the letters of intention or agreements to be presented by the petitioner to justify the demand and the applicable market surveys, and
4. Shall verify the congruency between the technical project mentioned in the preceding section and the investment commitments.

E. General conditions for the rendering of service

The Commission shall verify that the general conditions for the rendering of service comply with the points established in Section E of this chapter. Likewise, the Commission shall evaluate the congruency of said general conditions with the proposed services and if they satisfy the minimum requirements detailed in Annex 1 of the permit model and shall insure that the general conditions offer balanced conditions for the efficient development of the transportation service.

ANNEX J: General requirements for all natural gas permits

4.1 Required Documentation

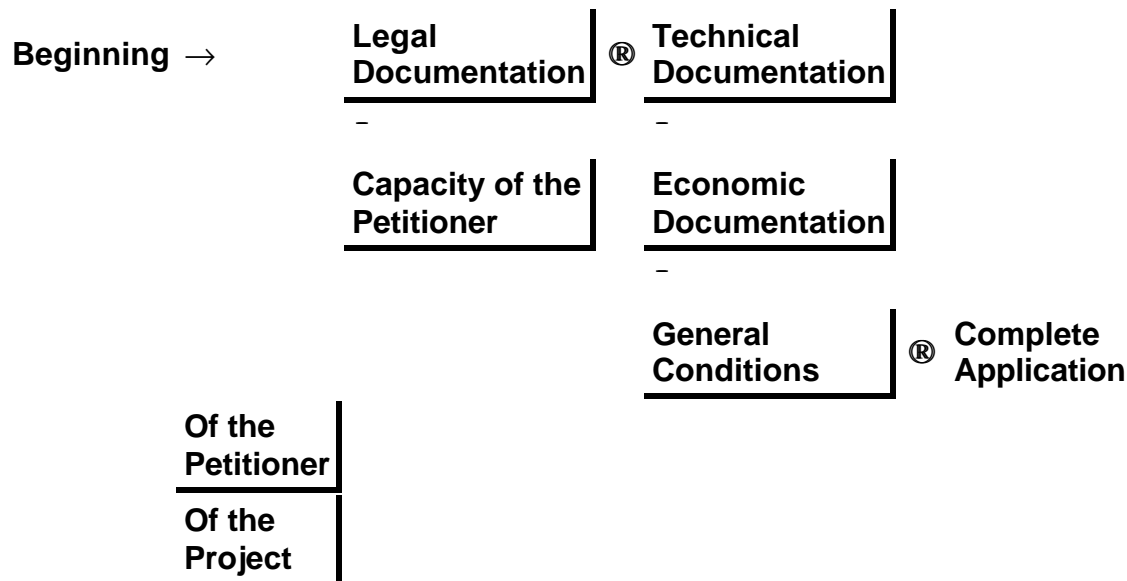
The applications shall contain the name, title, address and telephone number of the legal representative of the company, who shall have the corresponding power of attorney granting him sufficient powers for administration acts, and to whom the corresponding communications shall be sent.

The information and documentation shall be submitted in the Spanish language, otherwise, it shall be necessary to submit the corresponding translation (an expert translator is not necessary). In case of any discrepancy, the version in Spanish shall prevail.

The application shall be integrated with the following types of documentation:

- a)** The legal documentation. It shall be verified that the petitioner is a business partnership or company of the social sector, complying with the applicable legal requirements and the company shall be bound to appoint a representative before the Commission;
- b)** The capacity of the petitioner. The financial, administrative and technical capacity of the petitioner shall be demonstrated;
- c)** The technical documentation. The technical feasibility of the project shall be demonstrated, taking into consideration the route and the technical specifications of design, construction, materials, operation, maintenance and safety of the system;
- d)** The economic documentation. The calculation of the Maximum Initial Income shall be verified, as well as the list of the proposed tariffs with the corresponding financial and accounting justification, and
- e)** The general conditions for the rendering of the service. The congruence of the general conditions with the regulatory framework and with the permit title to be granted shall be reviewed, as well as their consistency, rationality and fairness.

DIAGRAM 4.- REQUIRED DOCUMENTATION



A. Legal documentation

The Commission requires the petitioner to include the following legal information and documentation:

1. The company name, place of business (street, interior and exterior numbers, neighborhood, municipality or delegation, state and zip code), fax and telephone number(s) to hear and receive notifications, as well as the names of the President and Principal Members, and when applicable, Alternate Members of the Administration Council and of the main directors of the petitioner.
2. A certified copy of the public deed containing the charter document of the petitioner as well as its modifications made as of the date of submittal of the application or equivalent documentation in the case of companies established in a foreign country, which may be submitted in the English language.
3. A certified copy of the public deed showing the granting of sufficient powers for administration acts, or the notarization of the document in which said powers are granted in favor of the legal representative of the petitioner, in adherence to the provision of article 2554 of the Civil Code for the Federal District in Common matters and for all the Republic in Federal matters or its equivalent in case of foreign companies.
4. A certification of the Secretary of the Council, the Sole Administrator or the person legally authorized to do so, stating the equity structure of the petitioner and describing any agreement of the shareholders in relation to the control of the administration of the petitioner.

5. A simple copy of the document certifying the receipt by the Competence Federal Commission, of the written note conveying to that branch office the intention to obtain a transportation permit, as per article 18 of the Regulations.
6. A written note from the petitioner, signed by its legal representative under oath, showing that all the submitted documentation and information is true and remains in force on the date of its presentation.

B. Capacity of the petitioner

The Commission requires the petitioner to attach the following documentation to certify its financial, administrative and technical capacity:

Financial capacity

1. A written note from the petitioner describing the type and coverage of the insurance policies to be contracted to meet the liabilities in which it may incur, as per article 71, section IV of the regulations.
2. A written note from the petitioner binding itself to have, prior to the granting of the permit, a duly paid-in and subscribed fixed capital stock, without the right to withdraw it, equivalent to ten percent of the amount of the proposed investment for the project, as per article 15, section II of the Regulations.
3. The certified financial statements corresponding to the last two fiscal years, audited for tax purposes by duly authorized external auditors, in agreement with the applicable legal provisions. The amount of the main concepts established in the financial statements shall coincide with those required in format D.5. This documentation may be written in the English language.
4. A written note from the interested party describing the main equity interest percentages of the company requesting the permit.
5. A document that describes the financial structure of the project including the percentages corresponding to the short and long term liabilities and owners' equity, and which defines the sources of the internal and external investment resources. If the project has external sources of financing, the letters from the corresponding institutions shall be presented, establishing in them the name of the institution and its intention to finance the project, the type of document, the amount of the resources, the amortization terms, the requested bonds and other conditions relative to the financing. If the project has internal sources of financing, letters from each of the companies which shall contribute funds shall be presented, establishing in them the name of the company, the origin of the resources and their application.

Administrative capacity

6. A document that describes the experience of the petitioner to administer other gas transportation systems and/or services with similar characteristics. Said description shall indicate the manner in which the petitioner administratively organized the project(s) in each of its (their) stages. Furthermore, the petitioner shall describe the organization to be implemented to carry out the project, the purpose of the permit, and the résumé of the main responsible persons.

Technical capacity

7. A written note from the company describing its experience in the operation and maintenance of gas transportation systems. If the operator is other than the petitioner, the latter shall designate an operator that shall certify its technical capacity to the Commission.

If there is a change of operator, the CRE shall be notified.

8. A written note endorsed by the competent authority describing the performance of the operator in the area of safety during the last five years, particularly pointing out the historical data of leaks and/or miscellaneous incidents recorded during the operation and maintenance stages of the project or projects in which the operator has participated. This written note may be presented written in the English language.

C. Technical documentation

- Any project presented to the Commission shall include the following sections:
 - The general description of the project;
 - The technical and safety specifications;
 - The drawings of the project, and
 - The operation and maintenance procedures.

General description of the project

- C.1** The summary of the technical characteristics of design, construction and operation of the proposed system. In addition, the works and constructions shall be technically justified, particularly in regard to the safety of the system. The petitioner shall detail the description of its system according to format C.1 of Annex 2, which includes:
- a) The location and route of the planned work;
 - b) The design capacity of the transportation system;
 - c) The calculation adopted for the determination of the diameter and thickness of the pipes;
 - d) The calculation of the loss of pressure and estimate of the operating pressure of the different sections;
 - e) The protection to be installed to avoid the corrosion of the pipes;
 - f) The specifications of the pipe, equipment and materials;
 - g) The calculation of the stability of the structures of the system where there are special external conditions;
 - h) The physical characteristics and chemical properties of the gas to be transported;
 - i) The soil surveys;
 - j) The ambient conditions;
 - k) The sources of supply of gas;
 - l) The project development plan per phases (design, purchase of the equipment and materials, construction, tests and commissioning stages), and
 - m) The justification of the demand.

Only the Spanish language and the General System of Measurement Units will be used in the general description, in the understanding that other equivalencies may be included between brackets.

Technical and safety specifications

C.2 The petitioner shall identify and justify the technical specifications and the safety methods and procedures, as per format C.2 of Annex 2, which includes:

- 1) The description of the technical specifications, which the design, construction, operation and maintenance of the system shall adhere to;
- 2) The statement that the equipment, materials, facilities and other devices to be used in the system, meet the characteristics and specifications established in the applicable Official Mexican Standards and if those standards are not available, that they meet the technical specifications internationally accepted in the industry;
- 3) The generic description of the safety methods and procedures to be used for the operation and maintenance of the system, that includes the issues relative to the tests to be performed to verify if the system complies with the technical specifications presented in accordance with section I above, for which the periodicity for the execution of said tests shall be set forth and the manner and terms to convey the obtained results to the Commission shall be indicated.

The description of the safety methods and procedures shall be substituted at the beginning of the operations, with the Safety Comprehensive Plan, which may be submitted as part of the application, and which shall describe:

- a) The preventive and corrective maintenance schedule;
 - b) The risks analysis, and
 - c) The contingencies plan.
- 4) The justification of the selection of the technical specifications and the safety methods and procedures referred to in sections I and II above, for which the petitioner shall:
- a) Express that said technical specifications and safety methods and procedures are sufficient and adequate to guarantee the safety of the system;
 - b) Certify that they are generally, internationally used in the gas industry;
 - c) Specify their sources, indicating if said sources are totally or partially used and if they are partially used, the petitioner shall justify the omission of the parts which are not included, and
 - d) Identify the codes of law that authorize or make its adherence compelling and in the case of foreign legal codes, the petitioner shall submit a copy of them.

C.3 Additionally, the petitioner shall also present a written note binding itself to:

- i) Meet the technical specifications relative to the design, construction, operation and maintenance of the system, to which it submit;
- ii) Use the equipment, materials, facilities and other devices adhering to the characteristics and specifications established in the applicable Official Mexican Standards or if those standards are not available, that they meet the technical specifications internationally accepted in the industry;
- iii) Adhere to the safety methods and procedures for the operation and maintenance of the system, the periodicity established for the execution of the tests and the manner and terms to convey the obtained results to the Commission; and
- iv) Update the technical specifications, equipment, materials, facilities and other devices used in the system and the safety methods and procedures referred to in sections I, II and III indicated above, to the extent that the safety needs so warrant and for that purpose, request from the Commission the modification of the permit.

C.4 The petitioner shall expressly assume the liability that may arise in regard to the inadequacy or poor selection of the technical specifications and the safety methods and procedures referred to in sections I and II above.

C.5 The petitioner shall justify the potential demand by way of market surveys, letters of interest or agreements with potential users, specifying the type of service and the volume of gas to be contracted.

C.6 The petitioner shall describe the location of the sources of the supply of gas and their connections with the proposed transportation system. Furthermore, letters of interest shall be presented by the supplier and when applicable by the transporter, showing that there will be a sufficient supply to render the service. In addition, the petitioner shall indicate, when applicable:

- 1. The transportation agreements established with specific users, and
- 2. The effects of the proposed project on the corresponding transportation system.

Drawings of the project

C.7 The petitioner shall present the following drawings:

- The basic location drawing showing the general location of the project at a scale of 1:250,000 or the most appropriate scale according to the size of the gas pipeline;
- The general drawing(s) per sections, drawn at the most adequate scale to show the details of the interconnection with the supply system and the main elements of the project in a clear and quantifiable manner, and
- The detail drawings showing the typical or special complementary facilities of the project.

I. The drawings of the system shall comply with the following requirements:

- a) The drawings shall be drawn at a scale;
- b) The drawings shall include names and boundaries;
- c) The drawings must be clear and accurate, and

d) The drawings shall be presented in a size multiple of the letter size page, preferably five times its width and three times its length.

II. The drawings shall contain the following data;

- a) The geographical north;
- b) The scale of the drawing;
- c) The location diagram;
- d) The symbology;
- e) The site boundaries, if the drawing only shows part of the system;
- f) The date when the project was prepared as well as the name and signature of the personnel responsible for its preparation;
- g) The areas corresponding to each stage of the construction, when applicable;
- h) The compression stages;
- i) The diameter of the pipes;
- j) The location of the sectioning valves;
- k) The location of the go-devil traps;
- l) The measuring and regulation stations;
- m) The material of the pipes, and
- n) The types and characteristics of the anticorrosive protection, when applicable.

III. Only the Spanish language and the General System of Measurement Units will be used in the drawings, in the understanding that other equivalencies may be included between brackets. If the drawings contain legends in another language and dimensions in another measuring system, these shall be translated into Spanish and shall be converted to the General System of Measurement Units. In case of discrepancies, the translation and the conversion shall prevail.

Example.- Diagram of the location and route of the transportation system

SYMBOLOLOGY

(MAP)

Compression stations
Measuring/ regulation
stations
Main cities or
towns
Indicator of the direction
of the
flow of gas
Petrochemical Complex
Pipes under the
responsibility of
the sector
Pipes under the
responsibility of
the other sector
Sectioning valves
Sources of supply

Number	Diam. (mm)	Origin-Destination	Section	Material	Anticorr. Prot.	Km
31CH	609.6	REY-MTY- TOR-CHI	JIM-CHI			209
56	406.4	CHI-JUA	CHI-JUA			341
57	406.4	NACO-HERM	NACO-HERM			340
73CH	304.8	CHAV-CHIM	JIM-CHIH			207
74	304.8	PEÑON-CFE DEL	PEÑON-CEF DEL			26
75	304.8	BOQU-CPQ CAMAR	LAG-CAMAR			15
89	203.2	BOQU-CPQ CAMAR	LAG CAMAR			15
90	203.2	PEÑON-CFE DEL	PEÑON-CFE DEL			26
91	203.2	AVALOS-DEL CHI	CHIH-ANAH			100
92	203.2	GTO-NACO-CAN	GTO-NACO- CAN			7
Total:						1,295

Note: The example is not shown at a scale of 1:250,000.

System's operation and maintenance procedures

C.8 The petitioner shall describe in general terms the operation and maintenance procedures and methods to be used in the transportation system. For that purpose, the petitioner shall present a document describing each of the following points:

1. The measuring and control systems and the data acquisition system;
2. The facilities and equipment of the telecommunication system;
3. The accident prevention system;
4. The procedure for the interruption of the flow of gas;
5. The procedure for the cancellation of gas lines;
6. The procedure for dealing with emergencies;
7. The procedure and equipment for the monitoring of leaks in the systems and in compression, regulation and metering stations;
8. The cathodic protection system and the corresponding maintenance schedule, and
9. The personnel training programs.

D. Economic documentation

- The economic documentation shall include the following sections:
 - The Maximum Initial Income (P_o);
 - The list of tariffs;
 - The methodology used in the determination of tariffs and charges;
 - The rate of return on investment;
 - The amount and schedule of the forecasted investment;
 - The profit and losses statement;
 - The costs influenced by inflation and the exchange rate.

The monetary values mentioned in this chapter shall be expressed in Pesos Mexicanos (Mexican Pesos) and if any data corresponding to different periods of time is presented, those values shall be expressed at constant first year of operation prices, that is without adjustment for the expected inflation.

The economic information shall also be submitted in diskette, in an electronic spreadsheet compatible with Excel 7.

Maximum Initial Income

D.1

1. The petitioner shall present a single value for the Maximum Initial Income (P_o) corresponding to the first five years of operation. The P_o shall be calculated as per section 6B of the Prices and Tariffs Directive and shall be estimated based on:

- a) The income necessary to cover the costs which are directly related to the rendering of the service;
- b) The total volume of gas which is planned to be transported in the period of time; and
- c) The establishment of appropriate and stable tariffs for the users.

2. The petitioner shall present a detailed description of the calculation of the income which is necessary each year to cover the adequate operation and maintenance costs, taxes, depreciation and a reasonable profitability on the capital invested each year. Format D.3 of Annex 3 shall be filled in to comply with this requirement.
3. The determination of Po shall include the income stemming from:
 - a) The capacity and use charges;
 - b) The service charges, when applicable;
 - c) The income stemming from conventional tariffs, adjusted so as to reflect the income which would have been obtained had they been derived from the corresponding regulated tariff, as indicated in provisions 6.79, 6.80 and chapter 11 of the Prices and Tariffs Directive;
 - d) The imbalances charges, and
 - e) The interruptible services charges, when applicable.
4. Furthermore, the petitioner shall:
 - a) Complement its proposal with the information contained in format D.1 of Annex 3, and
 - b) Present the estimate of costs to balance the system, as a result of possible operative losses in the first year of the rendering of service, describing in detail the procedure used in the calculation of such costs, as per provisions 6.46 and 6.47 of the Prices and Tariffs Directive.
5. The petitioner shall explicitly show the methodology used in the determination of Po.

List of tariffs

D.2 The petitioner shall present the list of the proposed tariffs for each of the service modes in each region of the transportation system. To meet this requirement, the petitioner shall fill in format D.2 of Annex 3.

Methodology used in the determination of tariffs and charges

D.2a. The petitioner shall present a document that describes the methodology used to determine the tariffs, according to the provisions of chapters 8 and 9 of the Prices and Tariffs Directive, including the following information:

- i) The description of the procedure used in the calculation of the tariffs for each service mode, according to provisions 9.2, 9.8, 9.10, 9.13, 9.14, 9.22, 9.45, 9.46, 9.47, 9.48, 9.52, 9.54, 9.57 and 9.58 of the Prices and Tariffs Directive;
- ii) The detailed assignment of costs to charges, so that the tariffs reflect the cost of the rendering of service in the different regions of the transportation system, according to provisions 9.2, 9.6 and 9.45 of the Prices and Tariffs Directive;

- iii) The breaking down of the total costs of the transportation system between fixed and variable costs;
- iv) The accounting verification that the capacity and use charges enable the recovery of the fixed and variable costs, respectively, as per provision 9.10 of the Prices and tariffs Directive, and
- v) The numeric determination of tariffs and charges.

Rate of return on investment

D.3 According to provision 6.28 of the Tariffs and Prices Directive, the petitioner shall estimate the rate of return on investment, by taking into consideration:

- 1. The debt to capital ratio of the company;
- 2. The cost of the owners' equity and when applicable, the cost of the preferred shares, expressed as a percentage;
- 3. The cost of the debt with due dates as of one year or more on the date of issue, expressed as a percentage, and
- 4. The petitioner shall present the weighted costs of the capital forecasted for each of the first eight years of operation, filling in format D.3b of Annex 3.

Amount and Schedule of the forecasted investment

D.4 The petitioner shall present the amount and schedule of the necessary investment for the development of the project in the first five years of operation and the subsequent five years. Formats D.3a and D.4 of Annex 4 shall be filled in for that purpose.

Profit and losses statement

D.5 The petitioner shall present the proforma profit and losses statement, congruent with the proposed maximum income, the lists of tariffs, the amounts of investment and the operation and maintenance costs, for the first five years of operation, according to the Accounting Directive. The format D.5 of Annex 3 shall be filled in to satisfy this requirement.

Costs influenced by inflation and the exchange rate

D.6 The petitioner shall define the concepts, the costs of which are influenced by the inflation in Mexico, the inflation in the United States of America and the exchange rate. The format D.6 of Annex 3 shall be filled in for that purpose.

E. General conditions for the rendering of the service

The petitioner shall prepare its proposal of General Conditions for the Rendering of Service, based on Annex 5 of the Permit Model. These General Conditions shall be subject to an

evaluation and when applicable, shall be approved by the Commission and shall contain the information of at least the following points:

1. The general data;
2. The definitions;
3. The scope of the General Conditions for the Rendering of Service;
4. The services;
5. The access to the services;
6. The list of prices and tariffs;
7. The requirements and procedures for the signing of the service contracts;
8. The connection services;
9. The measuring and invoicing;
10. The quality of gas;
11. The ownership of gas;
12. The delivery points;
13. The use of capacity;
14. The liberation of capacity;
15. The system pressures;
16. The clarifications, claims, complaints and procedures for dealing with leaks;
17. The interruption of service;
18. The events of force majeure or act of God;
19. The right to suspend the service;
20. The bonus for failures or deficiencies;
21. The obligations of the permissionaire;
22. The maintenance of meters;
23. The notifications;
24. The confidentiality;
25. The procedure for the solution of controversies;
26. The places of business;
27. The draft of the service application format;
28. The draft of the service contract format, and
29. The draft of the format for the liberation of capacity contract.

ANNEX K: Revocation of Natural Gas Permits

Permits can be revoked under the following reasons:

- When the given rights were not practiced within the period established in the permit;
- When the work for which the permit was granted is interrupted without justification and the authorization of the Secretariat;
- When practices discriminate against the users are carried out and violations of tariffs and prices occur that were fixed by the relevant public entity;
- When permits are transferred, copied or ceded in contradiction to that which is established in the Law;
- When the conditions established in the permit and the official Mexican norms are not complied with.

Annex L: Additional Information from the Regulations of the Law on Public Service of Electric Energy (*Reglamento de la Ley del Servicio Público de Energía Eléctrica*) Relevant to Holders of Electricity Generation Permits

Agreement for the Purchase of Electric Power

CFE will sign agreements with electricity generation permit holders in accordance with the following rules:

- With independent production permit holders (awarded through bidding) CFE will sign agreements in which are established both capacity and sale guarantees in conformity with the dispatch rules
- With permit holders that have 20 MW of excess energy or less, CFE can sign agreements that establish energy capacity and purchase guarantees subject to the dispatch rules.
- With the rest of the permit holders, CFE can sign energy purchase agreements according to the dispatch rules.
- These agreements can last as long as the Parties establish, but they cannot exceed the life of the corresponding permit.

Contractual Mechanism

The agreements that CFE signs with independent producers of energy (awarded through bidding) must contain the following elements:

The capacity of the electric energy that is generated;

The applicable terms and conditions for the generation capacity and the delivery of the electricity in normal conditions and emergency conditions;

The formulas, rules and definitions that are used to determine: (i) the payments by CFE for the generation capacity placed at their disposal; (ii) the payments by CFE for the electric energy that will be delivered to it in both normal and emergency conditions; (iii) the incentives or adjustments for the availability of capacity that is placed at the disposition of CFE; and (iv) the factors used to update the payments mentioned in (i) and (ii);

The length of the agreement;

The technical conditions that the electric energy must satisfy, including: (i) description of the interconnection point; (ii) information relative to the measurement of the delivered electricity; and (iii) tension;

The conventional penalties, and;

The arbitration rules or realm of jurisdiction to which the Parties submit themselves for any questions of a technical nature.

Agreements with holders of permits for 20 MW of energy or less, as well as the other permit holders (self supply, cogeneration, small production, exporting and importing), must contain, at the very least, the requirements laid out in the fourth and seventh points above.

Permit holders that sell electric energy to CFE have the following obligations:

To refrain from repairing, disconnecting or in any way disturb the measurement instruments belonging to CFE.

To provide, operate and carry out maintenance of the requisite installations for the transmission, transformation, measuring, protection and control of electricity.

To remain in conformance with the Laws and Regulations of the LSPEE with regard to delivery, operation of the national electric grid and dispatch of energy.

CFE has the following obligations to the permit holders:

To pay on the date and in the form agreed;

To notify permit holders in a timely fashion about any temporal suspension in the delivery of electric energy resulting from the maintenance and repair of CFE's installations, except in cases of emergency; and

To inform in a timely fashion the forecasted dispatches.

Remuneration

Permit holders for the independent production of energy receive remuneration that is fixed in function of the following: (i) a fixed charge for capacity, that will be adjusted by a particular availability factor and (ii) a payment for the energy delivered at the point of connection.

Payments for energy capacity reflect the following: (i) fixed costs, including the return on investment and (ii) variable costs that the permit holder incurs.

Furthermore, both fixed and variable costs must include the costs relative to the generation and transmission of electricity until the point of connection.

The costs that are cited and the formulas for their calculation must be based upon what is stated in the proposal put forth by the bidders, what is established in the contract and what is established in the bidding process.

Capacity payments are adjusted monthly by applying a coefficient calculated by taking the availability factor observed during the period. This coefficient, in accordance with what is established in the corresponding purchase agreements, will be:

Identical to the unit, when the availability factor is the same as the high value projected;
Greater than the unit, when the availability factor is greater than the high value projected;
Less than the unit, when the availability factor is less than the low value projected; e
Equal to zero, when the availability factor is less than the lowest projected value.

In the agreements mentioned before, one can include the formulas used to up date the payments made by CFE. The purpose of such formulas is to up date the total of the payments, among other things, that has to do with fuel prices.

Remuneration for the capacity placed at the disposition of CFE in the agreements signed with permit holders with excess energy of 20 MW or less, will be determined in conformity with the methodology elaborated by CFE and approved by the Secretariat of Energy.

Remuneration for energy delivered to CFE, in the agreements signed with permit holders with excess energy of 20 MW or less, and the rest of the permit holders (self supply, cogeneration, small production, exporting and importing), will be determined at the end of every month using the price proposed by the permit holder, the total amount derived from the energy measured at the point of connection.

Dispatch

The regulations of the LSPEE state that the delivery of electric energy to the national grid is subject to the operation and dispatch laws of the national grid that is established by the National Center of Energy Control (*Centro Nacional de Control de Energía* (CENACE)) of CFE.

During its function as controller of the deliveries that are done to the transmission grid from the various connected generation plants, CFE accepts the deliveries strictly in the increasing order of their respective total short-term costs or the proposed price, depending on the situation, until the amount demanded for is satisfied for that moment.

At the beginning of every month, CFE will notify, through suitable means, each of the external producers with which it has an agreement to purchase electric energy about the projections of electric energy that the respective Producer is expected to dispatch, on a monthly basis, in the ensuing three months.

Each of the external producers with which CFE has an agreement, will be notified, five days before the start of each period, the following:

The total short-term cost of their electric energy for dispatch in the stated period, calculated in accordance with the agreed upon formulas (independent producers).

The offering price for the delivery of electric energy and the maximum capacity, for the base load, intermediate load and peak load (permit holders with an excess of 20 MW or less and the other permit holders: self supply, cogeneration, small production, exporting and importing).

To all of the external producers with which it has an agreement, CFE will provide details of the hour by hour for the following day, at three o'clock at the latest on each day during which the dispatch program takes place.

This program will elaborate the geographic area of the Producer, the restriction of the grid, the availability of water, the availability of all the generation plants, the interruptible charges and the total costs, taking into consideration the estimated demand.

Annex M: Rules regarding the Execution of Public Projects According to the Law on Public Works and Related Services (*Ley de Obras Públicas y Servicios Relacionados con las Mismas*)

Work should begin on the date indicated in the respective contract and CFE will make the property available to the contractor on which the work will be done. If CFE does not hand over the property to the contractor, the date for the completion of work will be delayed from the one upon which the Parties originally agreed.

Variable price contracts are subject to cost adjustments in their terms under the specific conditions outlined in the Laws on Public Works and Related Services.

Fixed price contracts will not be subject to cost adjustments and neither the amount nor the completion period can be modified. Nonetheless, when economic circumstances present themselves before the award of a fixed price contract that are out of the control of either of the Parties – like fluctuations in the exchange rate or changes in national or international prices that cause an increase or reduction in the input costs for the work – CFE should accept price increases or require price reductions

If the estimated payments are not paid or the cost adjustments are not made, at the request of the contractor, CFE will pay for the financial expenses using the procedure established in the Fiscal Code of the Federation (Código Fiscal de la Federación) as if it were for the payment of fiscal credits that have been delayed.

For justified reasons, CFE can modify contracts over the base variable prices and mixed prices through agreement whenever these taken together or separately do not exceed the agreed amount or time period by more than twenty percent, nor if they cause substantial changes to the original project.

If the modifications exceed the indicated percentage but do not change the nature of the project, the Parties may sign additional agreements regarding the new conditions. These modifications cannot affect the essential characteristics and nature of the original contract.

CFE may temporarily suspend the contracted work for any justifiable cause. Equally, CFE can prematurely terminate contracts when it conflicts with public interests, if there are justifiable causes or if grave damage or harm may be caused to the State.

CFE may administratively rescind contracts if the contractor does not comply with its obligations.

The following rules are observed in case of the suspension, administrative annulment or premature termination:

If the suspension or annulment of the contract is caused by reasons attributable to CFE, it will pay for the executed work and the unrecoverable expenses, that are reasonable, proven and are directly related to the contract.

If the contract is rescinded due to reasons attributable to the contractor, CFE will not cover the resulting costs of the executed work still not settled until the proceeding account is permitted to be closed out.

If a contract is prematurely terminated, CFE will pay the contractor for the executed work and the unrecoverable expenses, that are reasonable, prove and are directly related to the contract.

If it is impossible to finish the work due to an unexpected even or force majeure, the contractor can opt to not finish it. In this case the contractor must ask CFE for the early termination of the contract, who will determine the most conducive way to settle the matter within fifteen days following the presentation of the contractor's request. In case CFE does not accept the request, the contractor must obtain a declaration from the relevant judicial authority. If CFE does not reply within the period stated by the judicial authority, it will be understood that it has accepted the contractor's request.

Once the contractor's work is completed, it will remain obligated to respond to any defects that may surface for a period of twelve months, for which the contractor should give CFE a guarantee worth ten percent of the total amount of the finished work, or a irrevocable letter of credit worth five percent of the total amount of the finished work or deposit money in a trust worth five percent of the total amount of the finished work.

Annex N: Additional Information Regarding the Law on Procurement, Leasing, and Public Sector Services (*Ley de Adquisiciones, Arrendamientos y Servicios del Sector Público*)

Contracting

Contracts that come to being as a result of award, must be signed within a period of twenty days counted from the day in which the ruling was announced, and the relevant completion guarantees form an integral part of the contracts.

Procurement, leasing and services are preferably agreed upon at a fixed price. Nonetheless, for justifiable reasons, increases or decreases in prices may be agreed upon, in accordance with the adjustment formula or mechanism that CFE determines before the presentation of the proposals.

If economic circumstances out of the control of the Parties present themselves that directly raise or lower the prices of the goods or services not yet delivered, carried out or paid, CFE should accept the increases or require decreases. These price changes will do using the guidelines laid out by SECODAM. If they deal with goods or services subject to official prices, authorized increases will be recognized.

On the other hand, if CFE does not sign the respective contract, the winning bidder may request in writing that CFE covers the unrecoverable costs that the bidder has incurred to prepare and elaborate its proposal, provided that these costs are reasonable, are duly proven and are directly related to the bid in question.

The rights and obligations that are derived from the contracts cannot be ceded in whole or in part to any other legal entity with the exception of the rights to collect payments, in which case the consent of CFE is required.

Suppliers that enter into contracts should guarantee the following: (i) the advance payments and (ii) the fulfillment of the contracts.

For justifiable reasons, CFE may agree to an increase in the quantity of requested goods through modifications to its existing contracts, within twelve months of signing them, provided that the total amount of the modifications does not exceed the combined amount of the following: twenty percent of the amount or quantity of the components plus the originally established volumes plus the price of the goods be it equal to that agreed in the original contract.

If the estimated payments are not paid or the cost adjustments are not made, at the request of the contractor, CFE will pay for the financial expenses using the procedure established in the Fiscal Code of the Federation (Código Fiscal de la Federación) as if it were for the payment of fiscal credits that have been delayed.

In case excess payments were made to the supplier, it must return the excess quantity paid plus interest using the same procedure outlined in the above paragraph.

Conventional penalties are written into the respective contracts that will be applied to the supplier if there is a delay in delivering or providing the service as agreed in the contract.

Service providers will make any payments that may be required for the importation of goods included in the contract, and in such cases no increases in the contracted prices will be permitted.

CFE may prematurely terminate the contracts when they conflict with the public interest, there are justifiable causes or grave damage or harm may be caused to the State. In this situation, CFE will reimburse the unrecoverable expenses incurred by the supplier provided that these are reasonable, are proven and are directly related to the contract.

CFE may administratively rescind contracts when the supplier does not fulfill its obligations.

The procedure for the annulment of a contract will be carried out according to the following rules:

The procedure may begin as soon as the supplier has been notified in writing of its failure to fulfill its obligation, so that within a period of ten working days the supplier may determine its legal rights and gather proof in its defense.

Once the period of ten days has passed, CFE will render its decision based on the arguments and proof that the supplier has presented at that point.

The decision to rescind or not rescind that contract will be duly justified, explained and communicated to the supplier.

Once the work is completed the supplier will remain obligated to pay for or fix any defect or hidden problem having to do with the goods or the quality of the services, or for any other responsibility that is denoted in the terms of the respective contract and in the applicable legislation.

Open Award of Bid and Limited Award (*Adjudicacion Directa y por Invitacion Restringida*)

The LAASS permits the contracting of procurement, leasing and services through a procedure of limited invitation to at least three entities or through direct award in the following cases:

- When the contract can only be signed with a particular entity due to works of art, patents, copyrights of an author or other exclusive rights;
- When public order, economic welfare, public services, health, security or environment of a certain zone or region of the country is put into danger as a consequence of disasters produced by natural phenomenon or an unexpected event or force majeure, or if there exist circumstances that may provoke substantial additional losses or costs;

- When they are exclusively for military ends, which are necessary to guarantee the security of the Nation.
- When the contract has been rescinded for reasons attributable to the supplier;
- When two public bids have been conducted and have been declared void;
- When the services related to the public works are offered by a legal entity provided that these services are carried out by that particular legal entity without requiring the use of more than one specialist or technician;
- Acceptance of the project as executed is given through the agreed-upon payment (*a título de dación en pago*) according to the terms of the law on Treasury operations of the federation (*ley del Servicio de Tesorería de la Federación*).
- When it entails procurement of perishable goods, grains and basic food products or semi-processed food products.
- When it entails the services of consultants, studies or investigations whose public release could cause harm to the public good or compromise confidential government information.
- When it entails the procurement of goods coming from entities that offer them in favorable conditions due to dissolution, liquidation or judicial intervention.
- When services of maintenance are involved for which a scope of work or other specifications cannot be provided. Then the purpose of the contract is the design or creation of a good that serves as a prototype to produce other goods.
- When it entails special equipment, substances or material of chemical origin to be used in experimental projects for scientific investigation.

In such cases, the agencies and organizations will invite at least three bidders, or will assign the contract to a single entity in cases where the transaction does not exceed the maximum amounts that will be established for such operations in the federal budget (*Presupuesto de Egresos de la Federación*)